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OTTER CREEK COAL LEASE BID GETS SUPPORT

By Jim Gransberry

Secretary of State Brad Johnson, in Billings on Friday, said he favors offering a lease bid for the Otter Creek Tract, the vast coal resources in southeastern Montana. As the only Republican on the five-member State Land Board, however, he faces resistance.

The 537 million tons of coal in southeastern Montana were acquired by the state in 2002 from the federal government and by law are now part of the school trust lands administered by the land board. The state's top five elected officials make up the board. Gov. Brian Schweitzer, Attorney General Mike McGrath, State Auditor John Morrison and Superintendent of Public Instruction Linda McCullough, all Democrats, complete the panel. McCullough, who is term-limited, is seeking Johnson's job.

"The governor and I fundamentally disagree on how to develop it," Johnson said. "I formally requested in writing in June 2006 that the governor direct the Department of Natural Resources and Conservation to prepare a comprehensive plan for the Otter Creek Tracts.

"The governor fears the bids will be bargain-basement. But we have put minimum bids on other leases."